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## MARKET & STATISTICAL ISSUE

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## TRUST SHARES ENDURE ONE OF WORST DROPS AS CONFIDENCE EBBS

Trust shares declined across the board as one of the worst market environments in years was compounded by unfavorable internal and external factors. As shown in the Paine, Webber chart, equity trusts fell 5.4% and mortgage trusts 5.7% in line with the DJ Industrials which dropped 5.7% in those weeks. Our averages of individual groups show even more deterioration in the four weeks ended May 22. Declines in the short-term groups ranged from 5.8% to 9.5%, the longs were down 7.0% and the equity groups 7.2% and 5.9%. Perhaps the most telling statistic of low market confidence is that 60% of all our tabulated trusts were yielding over 10% and 33% even yielded over 11%.

Of course monetary circumstances as are being experienced require higher yields. The general market is low. Interest rates are rising, pressuring yields in all securities. Short-term trusts are temporarily squeezed by restricted lending rates while borrowing costs increase. Therefore earnings are restrained for trusts that cannot expand rapidly. Obviously, however, other factors are also working to undermine confidence in trust shares. Probably the increase in problem loans (see the DeBoer story, p.2), and the greater percentage of trusts reporting lower dividends lately (p.3) have caused the market to draw bearish generalizations from a few unfavorable specifics. What may bother investors further is some problem loans have popped up where least expected- the better trusts. Investors appear to be overgeneralizing specific problems while not really understanding the limit of possible losses on an industry wide basis.

To exemplify, *Larwin Mortgage Investors* and *Associated Mortgage* are experiencing difficulties. Larwin reported \$13 million disbursed on which it is not accruing interest. Of this, \$4 million was already in process of being sold with full recovery. Of the \$9 million problem area, the \$2 million loan was since sold and the \$7.2 million borrower is being pressured to refinance. Downside looks nominal and improved profits likely this year. Not so with Associated. Its banks have called some lines and the trust has had to sell \$3.7 million of participations with \$12 million more probable. The portfolio could shrink to \$70 million from the \$80 mill. of March. Earnings and dividends for the rest of 1973 will therefore fall from \$1.80 rate of the first quarter unless new financing is obtained. Our market conclusion for trusts overall is positive. Yield could provide a bottom here but for uncertainties stemming from the Washington political crisis.

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## TRUST IMAGES BEING TARNISHED MORE THAN PRINCIPAL BY DEVELOPER'S DIFFICULTIES

A large trust borrower has gotten into difficulties. In late April, stories began circulating about financial difficulties of DeBoer Assoc., one of the five largest apartment builders. As the picture can now be pieced together, this operation became overextended and record keeping may have been poor. The creditors have temporarily eased the situation for continuing operation with a \$16 million line of which we understand \$2-3 million represents new funds and the balance re-financing. We do not know if DeBoer can now fully complete all his projects but it looks like most trusts connected will come out whole or nearly so. Most important, the project, not the developer, is what counts in a real estate loan. To illustrate, in the Pomponio situation (where a Washington, D. C. area builder encountered financial difficulties) only one of about a dozen trusts connected will likely lose any money. Also to bear in mind, there are three layers of risk, excluding the builder himself, secured construction loan lenders, subordinated but secured land lenders and unsecured creditors. In the meantime, many trust shares have suffered setbacks disproportionate to realistic risks involved.

The first name to hit print was *First Wisconsin Mortgage* which announced on May 7 it had \$11.1 million in loans with a "significant Midwestern builder" that had encountered overruns. First Wisconsin has one of the largest positions among the trusts which are believed to have over \$50 million out to DeBoer but the trust was still accruing interest. Even bigger is *C.I. Mortgage* with over \$18 million disbursed in five loans. Three are permanent loans for \$11 million for completed projects 75-85% occupied. If foreclosed, there would be a gain. Two construction loans are out for \$4 and \$2.8 million with a land trust behind both. No loss is likely and all loans are current. The shares may be restrained by such a high percentage under clouds but are recovery holdings when cleared by the winds of knowledge. *Chase Manhattan Mortgage* has \$6.2 million committed with less than half disbursed. Payments are current. Percentage exposure is negligible. *Property Capital* has 14 land leasebacks for \$6.3 million. Seven are alright. Four are with buildings under construction. All are current. These are secure but subordinate meaning on the outside PCL may be subject to interest loss but principal should be safe. The shares may remain under pressure. *Unionamerica Mortgage* has two construction loans for nearly \$5 million. Both projects are close to completion. Impact on the shares has been exaggerated to where yield is among the highest in short-term trusts. *ICM Realty* has been mentioned since it has three loans. All are finished apartment projects, two are operating nicely and the third is renting. This trust is untouched in any meaningful way. The shares offer more quality and value than ever. About a half dozen other trusts have been mentioned as having DeBoer loans but in small amounts. For example, *Beneficial Standard* has two loans totaling \$3.5 million, participations with First Wisconsin.

## DRAWING THE LINE ON ACCRUING INTEREST ON PROBLEM LOANS

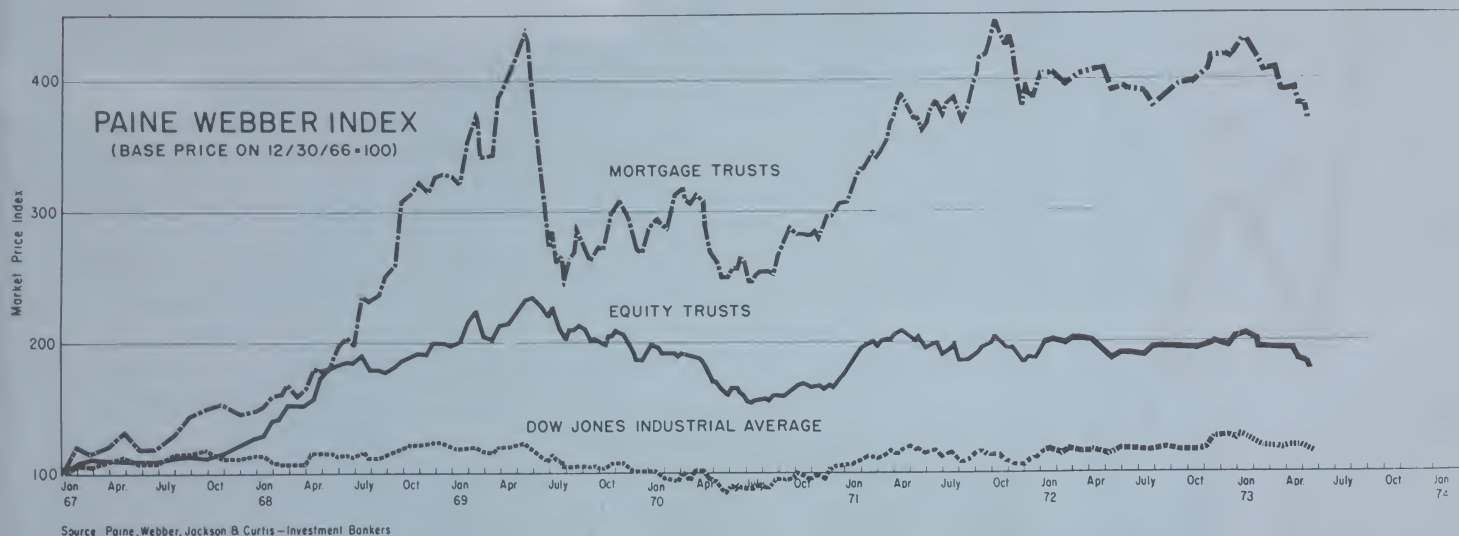
There's been talk lately between trusts and auditors as to when interest should stop being accrued on problem loans. Most trusts wish to accrue as long as possible to write up the property's value in this manner, the auditors the opposite. Now, Peat, Marwick, Mitchell, CPAs, has taken the lead of drafting guidelines for which they deserve credit. Peat, Marwick first points out the SEC has become very interested in real estate firms, real estate transactions and recently, REITs. The SEC has prodded accountants to stress substance over legal form. In this light, the guidelines are laid down.

Where the borrower makes payments not advanced by the trust, accruals should be halted automatically when payments are over 90 days in arrears. The exception is when it can be documented the delinquency is temporary. Consideration should be given to halting accruals when there is a substitution of builder-developer. Accruals should not start again until it is shown: there were no substantial overruns, disbursed proceeds were used as intended and there were no adverse economic changes in the area. Accrual should



stop when a loan is transferred to a nominee or when in process of foreclosure.

We agree. In the long run, public confidence gained will outweigh temporarily puffing earnings by a few cents a share. More important, as we have often stressed, problem loans should be viewed in context of the realistic workout which has been good overall in the industry.



## SECOND STRAIGHT MONTH OF POOR DIVIDEND GAINS, 16% OF DECLARATIONS LOWER

The latest month was another poor period for comparative declarations with five of the 30 trusts reporting lower dividends from the prior quarter. The negative percentage, 16% was smaller than the 23% which were lower in the previous month. Of those, declining in the latest period, however, the drops were sharper than in the preceding month: 12.5% compared with 9.4%. Our recapitulation for the past two months illustrate this:

|      | Up | Same | Down | % Down | Avg. % - Dec. |
|------|----|------|------|--------|---------------|
| May  | 19 | 6    | 5    | 16%    | 12.5%         |
| Apr. | 27 | 9    | 11   | 23     | 9.4           |

The decrease in Atico's dividend reflects the greater number of shares out as well as lower fee income. Mony Mtg. is experiencing a squeeze in its spread between borrowing and loans which it hopes will be alleviated with the prime rate freed from its artificial rate. Slower fundings growth appears to be behind First Pennsylvania's decline. Institutional Investors' two problem loans of \$4.2 million caused its drop. The decrease in First Mortgage's dividend was a combination of spread squeeze, slower fundings and problem loans, 2.3% of the Jan. portfolio.

| Record date             | -Dividend Latest | per share- Previous | -Net Change- Amt. | %      | Extra  | Year ago |
|-------------------------|------------------|---------------------|-------------------|--------|--------|----------|
| Alison Mtg.             | 5/29             | \$ 0.75             | \$ 0.74           | + .01  | + 1.4  | ---      |
| American Fletcher       | 5/25             | 0.70a               | 0.67              | + .03  | + 4.5  | ---      |
| American Realty         | 6/1              | 0.20                | 0.15              | + .05  | + 33.3 | 0.10     |
| Atico Mtg.              | 5/17             | 0.47                | 0.56              | - .09  | - 16.1 | ---      |
| BT Mtg.                 | 5/15             | 0.72                | 0.70              | + .02  | + 2.9  | ---      |
| Baird & Warner          | 5/14             | 0.49                | 0.47              | + .02  | + 4.3  | ---      |
| Barnett Mtg.            | 5/10             | 0.65                | 0.64              | + .01  | + 1.6  | ---      |
| Beneficial Std.         | 5/15             | 0.67                | 0.63              | + .04  | + 6.3  | ---      |
| C.I. Mtg.               | 5/15             | 0.18a               | 0.18              | ---    | NC     | ---      |
| Citizens Dev.           | 4/30             | 0.45                | 0.45              | ---    | NC     | ---      |
| Citizens Growth         | 6/8              | 0.45                | 0.38              | + .01  | + 2.6  | ---      |
| Fidelity Mtg.           | 5/31             | 0.88                | 0.86              | + .02  | + 2.3  | ---      |
| First Mortgage          | 6/6              | 0.48                | 0.57              | - .09  | - 15.8 | ---      |
| First Pa. Mtg.          | 5/25             | 0.50                | 0.56              | - .06  | - 12.0 | ---      |
| Franklin Mtg.           | 6/15             | 0.19                | 0.19              | ---    | NC     | ---      |
| Great American Mtg.     | 5/29             | 0.275a              | 0.27              | + .005 | + 1.8  | ---      |
| Gould Investors         | 6/15             | 0.22                | 0.20              | + .02  | + 10.0 | ---      |
| Guardian Mtg.           | 5/25             | ---                 | ---               | ---    | ---    | 0.07     |
| Gulf Mtg.               | 5/17             | 0.44                | 0.42              | + .02  | + 4.8  | 0.02     |
| HMC Mortgage            | 5/30             | 0.52                | 0.50              | + .02  | + 4.0  | ---      |
| Hubbard REI             | 6/22             | 0.39                | 0.38              | + .01  | + 2.6  | ---      |
| IDS Realty              | 5/31             | 0.60                | 0.55              | + .05  | + 9.1  | ---      |
| Institutional Investors | 6/8              | 0.34                | 0.40              | - .06  | - 16.0 | ---      |
| Investors Realty        | 5/18             | 0.36                | 0.36              | ---    | NC     | ---      |
| Lawrin Mtg.             | 5/18             | 0.69                | 0.69              | ---    | NC     | ---      |
| MONY Mtg.               | 5/31             | 0.25                | 0.26              | - .01  | - 3.8  | ---      |
| Property Capital        | 6/1              | 0.41                | 0.40              | + .01  | + 2.5  | ---      |
| Realty Income           | 5/25             | 0.55a               | 0.30              | C      | C      | ---      |
| Realty Refund           | 6/1              | 0.56                | 0.55              | + .01  | + 1.8  | ---      |
| Republic Mtg.           | 5/7              | 0.45                | 0.45              | ---    | NC     | ---      |
| Saul (B.F.) REIT        | 5/18             | 0.39                | 0.38              | + .01  | + 2.6  | ---      |
| U.S. Leasing REI        | 5/4              | 0.44                | 0.43              | + .01  | + 2.3  | ---      |
| U.S. Realty             | 5/31             | 0.34                | 0.34              | ---    | NC     | ---      |
| Walter (Jim) Inv.       | 5/29             | 0.38                | 0.30              | + .08  | + 26.7 | ---      |
| TOTAL (30 Trusts) b     |                  | \$14.32             | \$14.18           | + .14  | + 1.0  | ---      |

Actual payment of Dividends with Uncertain Amounts at Declaration

|                 |      |        |      |        |       |     |      |
|-----------------|------|--------|------|--------|-------|-----|------|
| First of Denver | 4/27 | 0.505e | 0.50 | + .005 | + 1.0 | --- | 0.47 |
|-----------------|------|--------|------|--------|-------|-----|------|

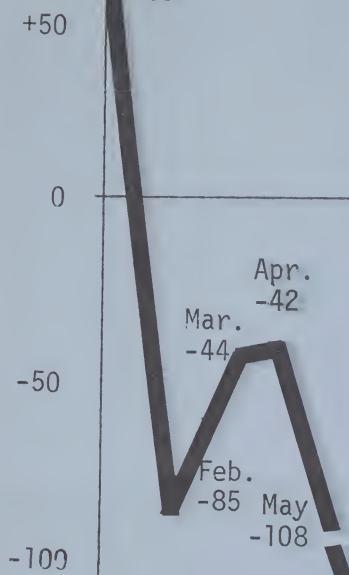
a-On shares when declared may be lower if additional shares are out by ex-dividend dates.  
b-Excludes initial, monthly and extra declaration. c-Not compared. e-Actual amount paid on outstanding shares. NC-No change. M-Monthly. Trusts with reduced dividends underlined.

-----NAME CHANGE-----

Hospital Investor was changed to Atlanta National Real Estate Trust.

From yr ago!  
19  
4  
9  
3  
29

# REIT ADVANCE-DECLINE INDICATOR-1973 (Total advances minus declines)



The Advance-Dcline Indicator fell sharply in May posting a minus 108, the worst reading since Feb., '73. In May, 117 trusts declined, 9 advanced, 4 were unchanged. Short-term mortgage trusts backed by commercial banks showed the largest percentage drop, off 9.5% followed by land trusts, off 9.3%. The strongest group was the short-term mortgage misc. group, off 5.8% with the equity and mortgage combination trusts being next, off 5.9%. Largest gainers and losers were:

| GAINERS      |        | LOSERS      |        |
|--------------|--------|-------------|--------|
| TMC Mtg.     | +7.9 % | C.I. Rlty.  | -37.4% |
| Rlty. Inc.   | +4.8   | Lincoln     | -25.6  |
| Fid. Mtg.    | +3.8   | Assoc. Mtg. | -21.3  |
| Summit Prop. | +3.8   | First Com.  | -19.5  |
| First Fid.   | +2.1   | Galbreath   | -16.8  |

## COMPARATIVE TRUST STATISTICS How to use these statistics--Please read carefully

The data inside are intended to facilitate comparison of relative efficiency of trust management with funds available during the latest period. Every effort has been made to present data for that purpose. Readers should note that the data are historical and not projections of future trends. This holds especially for dividends, which vary with each quarter's earnings for most mortgage trusts and thus are not to be considered in any way as guaranteed yields.

The heart of the comparisons is annualization of current earnings and dividend rates. For mortgage trusts, this is done by multiplying the latest quarter by four without seasonal adjustment. These earnings are adjusted for conversion of debt (i.e., fully diluted) but not for exercise of warrants, as described below. For equity trusts, net cash flow (defined as earnings plus depreciation and non-cash charges minus mortgage amortization) has been used and any known seasonal factors applied. The symbol "#" denotes use of cash flow in the earnings columns. Group averages may be reduced to the extent new trusts are included in any given group.

The number of shares outstanding is the number issued as of the latest balance sheet and is not adjusted for conversion or exercise of warrants. Book value per share however is adjusted for conversion of all convertible debentures. It does not reflect changes for any exercise of warrants.

Four standard comparisons are presented: price changes since the last issue; price/earnings ratios and estimated dividends based upon current market prices; and percentage of market price of book value. All values are positive unless indicated.

The fifth comparison, return on book value, measures management's performance with available funds. Because of the increasing complexity of trust capital structures, the computations are made in the following manner for trusts with these capital structures.

Convertible debentures only: Fully diluted earnings are compared with fully converted book value per share, since funds from convertibles are at work.

Warrants only: Primary earnings per share are compared with book value without assuming warrant exercise, since again this measures funds actually in use. Trusts in this category currently reporting significant differences and their primary and diluted earnings annual rates are listed inside.

Both warrants and convertibles: Fully converted book value is used. Primary earnings are being used because these are closest to converted earnings. Data for these trusts are slightly overstated. Where primary numbers are well above the dividend, the dividend is used and so noted. Trusts in this category are listed below.

Warrants only: Amer. Fletcher, \$3.04 & \$2.80; Barnett, \$2.92 & \$2.40; Barnett-Winston, \$1.40 & \$1.28 (Dec); BT, \$2.80 & \$2.56; Builders Inv., \$3.20 & \$2.44; Cameron-Brown, \$2.76 & \$2.24; CI Mtg., \$2.16 & \$2.08; Citizens Mtg., \$1.72 & \$1.60; CleveTrust, \$1.76 & \$1.52; Cousins Mtg., \$2.32 & \$2.20; Dominion, \$2.00 & \$1.44; Fidelco, \$3.36 & \$3.20; First Memphis, \$1.96 & \$1.64; First Denver, \$2.12 & \$1.72; Hospital Mtg., \$2.20 & \$1.76; Indiana Mtg., \$1.56 & \$1.56; Mtg. Trust Amer. \$1.88 & \$1.64; M&T, \$1.20 & \$1.12; PNB, \$2.20 & \$1.80; Realty ReFund, \$2.20 & \$1.80 (Jan); Security Mtg., \$1.12 & \$1.12; Texas 1st, \$2.04 & \$1.80; Unionamerica, \$2.48 & \$2.40; USF Inv., \$2.92 & \$2.32; Wells Fargo, \$2.24 & \$1.92.

Warrants and Convertibles: Alison, \$3.00 & \$2.84; Amer. Century, \$2.44 & \$2.20 (Sep); Atico, \$2.00 & \$1.80; Ben. Std., \$2.84 & \$2.12 (Jan); Capital, \$2.68 & \$2.32; Citizens & So., \$3.04 & \$2.84; Colwell, \$3.28 & \$2.60 (Dec); Fidelity, \$3.52 & \$3.32 (Jan); First Pa., \$2.04 & \$1.92; Galbreath, \$2.48 & \$2.32 (Dec); Great American, \$3.28 & \$3.16; Guardian, \$4.28 & \$4.04; Median, \$1.44 & \$1.16; Midland, \$1.76 & \$1.64; Mtg. Inv. Wash., \$1.68 & \$1.32; National Mtg., \$1.44 & \$1.36; Republic, \$1.80 & \$1.64 (Dec); Sutro, \$1.64 & \$1.56; Tri-So., \$2.88 & \$2.52.



| NAME          | EXCH/<br>SYMBOL | SHARE<br>(000) | BOOK<br>VALUE | EST<br>DIV* | EARNINGS<br>MON ANN* | LAST<br>PRICE | %<br>CHNG | P/E<br>RATIO | EST*<br>YIELD | % PR<br>TO BK | RET<br>ON BK | MKT VA<br>(MIL\$) |
|---------------|-----------------|----------------|---------------|-------------|----------------------|---------------|-----------|--------------|---------------|---------------|--------------|-------------------|
| EQUITY TRUSTS |                 |                |               |             |                      |               |           |              |               |               |              |                   |
| ARLEN PROP#   | J-ARLNS         | 1012           | 14.92         | 1.76        | DEC                  | 1.76          | 13.75     | -15.4        | 7.8           | 12.8          | -7.8         | 13.9              |
| C I REALTY#   | D-CIRLS         | 2609           | 23.16         | 1.52        | NOV                  | 1.60          | 10.25     | -37.4        | 6.4           | 14.8          | -55.7        | 26.7              |
| CITIZENS GRP  | J-CITGS         | 811            | 18.56         | 1.56        | JAN                  | 1.60          | 14.63     | -10.7        | 9.1           | 10.7          | -21.2        | 11.9              |
| CUN ILL PRP#  | J-CILLS         | 4808           | 23.68         | 1.40        | JAN                  | 1.36          | 15.00     | -7.7         | 11.0          | 9.3           | -36.7        | 72.1              |
| DENVER RLY#   | J-DENV          | 1091           | 9.46          | 0.60        | DEC                  | 0.72          | 7.88      | -8.7         | 10.9          | 7.6           | -16.7        | 8.6               |
| FST FIDELTY#  | D-FFITS         | 866            | 12.00         | 0.60        | JUL                  | 0.00          | 6.38      | 2.1          | 0.0           | 9.4           | -46.8        | 5.5               |
| GENERAL GRP#  | N-GGP           | 5554           | 6.91          | 0.84        | MAR                  | 0.90          | 15.13     | -6.9         | 16.8          | 15.6          | 119.0        | 84.0              |
| GIT REALTY#   | D-GRDCS         | 1238           | 9.41          | 1.20        | DEC                  | 1.12          | 9.00      | -13.3        | 8.0           | 13.3          | -4.4         | 11.1              |
| GUILD INVST#  | A-GTR           | 1179           | 7.79          | 0.88        | DEC                  | 0.84          | 9.25      | -6.4         | 11.0          | 9.5           | 18.7         | 10.9              |
| GREIT RLY#    | A-GRT           | 998            | 14.51         | 1.20        | JAN                  | 1.60          | 11.25     | -4.3         | 7.0           | 10.7          | -22.5        | 11.2              |
| HUBBARD REI   | V-HRE           | 4004           | 23.41         | 1.56        | APR                  | 1.56          | 18.88     | -3.8         | 12.1          | 8.3           | -19.4        | 75.6              |
| JMB REALTY#   | D-JMBRS         | 510            | 18.27         | 1.76        | FEB                  | 1.76          | 17.13     | -2.1         | 9.7           | 10.3          | -6.2         | 8.7               |
| MUTUAL REIT#  | J-MJTRS         | 1433           | 6.90          | 1.76        | JUN                  | 0.11          | 2.88      | -4.0         | 26.2          | 5.9           | -58.3        | 4.1               |
| NEW PLAN RLY  | D-NPLNS         | 665            | 11.61         | 1.68        | JUL                  | 1.58          | 14.88     | 0.0          | 9.4           | 11.3          | 28.2         | 9.9               |
| PENN REIT#    | A-PEI           | 1502           | 10.88         | 1.00        | FEB                  | 1.56          | 11.50     | -11.5        | 7.4           | 8.7           | 5.7          | 17.3              |
| REIT OF AMER  | A-KEI           | 1567           | 21.31         | 1.40        | FEB                  | 1.32          | 15.75     | -12.5        | 11.9          | 8.9           | -26.1        | 24.7              |
| SUMMIT PROP#  | J-SMMS          | 961            | 9.97          | 1.10        | JAN                  | 1.26          | 13.50     | 3.8          | 10.7          | 8.1           | 35.4         | 13.0              |
| US LSG REI#   | A-USE           | 1348           | 22.07         | 1.76        | MAR                  | 1.80          | 18.25X    | -1.6         | 10.1          | 9.6           | -17.3        | 24.6              |
| WASH REIT#    | A-WRE           | 1368           | 10.11         | 1.04        | MAR                  | 1.24          | 13.50     | 1.9          | 10.9          | 7.7           | 33.5         | 18.5              |
| WISC REI FD#  | D-WREI          | 1514           | 8.81          | 0.90        | MAR                  | 0.60          | 10.75     | -5.5         | 17.9          | 8.4           | 22.0         | 16.3              |
| GROUP AVG     |                 | 1752           | 14.19         | 1.20        |                      | 1.21          | 12.48     | -7.2         | 10.7          | 9.5           | -3.8         | 468.6             |

|                                 |         |      |       |      |     |      |        |       |      |      |       |       |
|---------------------------------|---------|------|-------|------|-----|------|--------|-------|------|------|-------|-------|
| EQUITY AND MORTGAGE COMBINATION |         |      |       |      |     |      |        |       |      |      |       |       |
| AMER REALTY#                    | A-ARB   | 2105 | 8.02  | 1.30 | MAR | 0.92 | 10.38  | -1.1  | 11.3 | 9.6  | 29.4  | 21.8  |
| BERG ENT RG                     | A-BRT   | 1400 | 9.18  | 0.68 | FEB | 0.68 | 7.00   | -9.7  | 10.3 | 9.7  | -23.7 | 9.8   |
| BUILDERS INV                    | N-BSG   | 2487 | 23.83 | 3.20 | MAR | 3.20 | 26.25  | -7.9  | 8.2  | 12.2 | 10.2  | 65.3  |
| FIRST UNION#                    | N-FUR   | 3670 | 9.94  | 0.92 | JAN | 1.12 | 11.25  | -6.3  | 10.0 | 8.2  | 13.2  | 41.3  |
| FLATLEY RLT                     | D-FLTLS | 1000 | 9.21  | 0.76 | MAR | 0.84 | 7.00   | -6.7  | 8.3  | 10.9 | -24.0 | 7.0   |
| FRANKLIN RLY                    | A-FR    | 997  | 9.84  | 0.76 | MAR | 0.72 | 7.75   | -6.1  | 10.8 | 9.8  | -21.2 | 7.7   |
| INCOME MTG#                     | J-INMRS | 1014 | 8.22  | 1.30 | MAR | 0.60 | 10.25  | -2.4  | 12.8 | 9.8  | 24.7  | 10.4  |
| INDIANA MKR                     | J-INDMS | 1153 | 18.81 | 1.56 | MAR | 1.56 | 18.50  | -11.9 | 11.9 | 8.4  | -1.6  | 21.3  |
| INVESTOR RL#                    | A-IRT   | 1579 | 12.58 | 1.44 | FEB | 1.48 | 13.13X | -10.1 | 8.9  | 11.0 | 4.4   | 20.7  |
| LINCOLN MTG#                    | D-LNMGS | 1153 | 9.36  | 0.80 | MAR | 0.88 | 6.50X  | -25.6 | 7.4  | 12.3 | -30.6 | 7.5   |
| MILLER MEN S                    | J-SMMS  | 560  | 18.42 | 1.28 | FEB | 0.88 | 14.00  | -9.7  | 15.9 | 9.1  | -24.0 | 7.8   |
| NJB PRIME                       | A-NJB   | 1112 | 19.25 | 2.28 | FEB | 2.12 | 19.38  | -4.9  | 9.1  | 11.8 | 0.7   | 21.6  |
| RIVIERE RLY#                    | J-RIV16 | 783  | 8.95  | 0.96 | JUN | 0.92 | 9.88   | -1.2  | 10.7 | 9.7  | 10.4  | 7.7   |
| RLTY INCOME                     | A-KIT   | 1516 | 14.29 | 1.45 | JAN | 1.52 | 14.00X | 4.8   | 9.2  | 10.4 | -2.0  | 21.2  |
| SAUL (BF) REI                   | J-SAULS | 5512 | 15.22 | 1.56 | DEC | 1.56 | 18.00X | -1.9  | 11.5 | 8.7  | 18.3  | 99.2  |
| US BANCORP#                     | A-UBT   | 726  | 23.72 | 2.40 | FEB | 2.60 | 27.00  | 0.9   | 10.4 | 8.9  | 13.8  | 19.6  |
| US REALTY#                      | A-UTY   | 3363 | 9.79  | 1.36 | MAR | 1.44 | 14.75  | -4.8  | 10.2 | 9.2  | 50.7  | 49.6  |
| WALTER JIM #                    | D-WALJS | 1035 | 18.49 | 1.52 | APR | 1.52 | 15.00X | -1.6  | 9.9  | 10.1 | -18.9 | 15.5  |
| GROUP AVG                       |         | 1731 | 13.73 | 1.38 |     | 1.38 | 13.89  | -5.9  | 10.4 | 10.0 | 1.7   | 455.0 |

|                          |       |      |       |      |     |      |       |       |      |      |       |       |
|--------------------------|-------|------|-------|------|-----|------|-------|-------|------|------|-------|-------|
| SUBORDINATED LAND TRUSTS |       |      |       |      |     |      |       |       |      |      |       |       |
| CABOT LAND               | N-CFT | 2913 | 19.91 | 2.28 | FEB | 2.28 | 24.75 | -1.0  | 10.9 | 9.2  | 24.3  | 72.1  |
| ICM REALTY               | A-ICM | 3011 | 20.78 | 1.84 | FEB | 1.84 | 19.00 | -8.4  | 10.3 | 9.7  | -8.6  | 57.2  |
| PEASE ELLIMN             | A-PNE | 1114 | 17.91 | 1.36 | NEW | 0.00 | 13.75 | -12.0 | 0.0  | 9.9  | -23.2 | 15.3  |
| PROPERTY CAP             | A-PCL | 2065 | 13.92 | 1.72 | APR | 1.76 | 17.25 | -15.9 | 9.8  | 10.0 | 23.9  | 35.6  |
| GROUP AVG                |       | 2276 | 18.13 | 1.80 |     | 1.47 | 18.69 | -9.3  | 7.8  | 9.7  | 4.1   | 180.2 |

|                           |          |      |       |      |     |      |        |       |      |      |       |       |
|---------------------------|----------|------|-------|------|-----|------|--------|-------|------|------|-------|-------|
| SHORT-TERM MTG-MTG BANKER |          |      |       |      |     |      |        |       |      |      |       |       |
| ATICO MTG IN              | N-ACG    | 2681 | 18.00 | 1.88 | APR | 2.00 | 17.00X | -10.4 | 8.5  | 11.1 | -5.6  | 45.6  |
| BAIRD EWARNR              | D-BAIDS  | 958  | 19.44 | 1.96 | JAN | 1.72 | 17.38X | -9.0  | 10.1 | 11.3 | -10.6 | 16.7  |
| BARNES MTG                | J-BARNIS | 1935 | 18.28 | 1.40 | MAR | 1.44 | 16.25X | -7.8  | 11.3 | 8.6  | -11.1 | 31.4  |
| CENTRAL MTG               | J-CMRTS  | 775  | 18.58 | 1.84 | MAR | 1.92 | 17.50X | -9.1  | 9.1  | 10.5 | -5.8  | 13.6  |
| CITIZENS MI               | A-CZM    | 1411 | 14.18 | 1.72 | MAR | 1.72 | 16.25  | -6.5  | 9.4  | 10.6 | 14.6  | 22.9  |
| CULWELL MTG               | A-CLM    | 1864 | 22.00 | 3.01 | MAR | 3.36 | 26.50  | -12.4 | 7.9  | 11.4 | 20.5  | 49.4  |
| FIRST CONTNL              | J-FCRES  | 1120 | 9.13  | 1.40 | FEB | 1.40 | 11.63  | -5.1  | 8.3  | 12.0 | 27.4  | 13.0  |
| FRASER MTG I              | D-FRASS  | 1038 | 16.97 | 2.08 | FEB | 2.08 | 19.25  | -3.8  | 9.3  | 10.8 | 13.4  | 20.0  |
| GALBREATH FM              | D-GALBS  | 1041 | 24.65 | 2.40 | MAR | 2.44 | 22.25  | -16.8 | 9.1  | 10.8 | -9.7  | 23.2  |
| GUARDIAN MI               | V-GWI    | 2315 | 27.40 | 4.25 | FEB | 4.28 | 38.00X | -0.5  | 8.9  | 11.2 | 38.7  | 88.0  |
| GULF SG MTG               | A-GSR    | 1161 | 18.11 | 2.40 | MAR | 2.40 | 18.50  | -8.6  | 7.7  | 13.0 | 2.2   | 21.5  |
| HAMILTON INV              | D-HAMTS  | 1445 | 18.74 | 2.08 | MAR | 2.24 | 16.75  | -0.8  | 7.5  | 12.4 | -10.6 | 24.2  |
| HEITMAN MTG               | A-HTM    | 3107 | 11.75 | 1.40 | MAR | 1.60 | 12.75  | -6.5  | 8.0  | 11.0 | 8.5   | 13.6  |
| JUSTICE MTG               | J-JUSTS  | 1062 | 18.14 | 2.40 | MAR | 2.40 | 21.88  | -5.9  | 9.1  | 11.0 | 20.6  | 13.2  |
| KMC MTG IN                | J-KMTGS  | 1100 | 13.85 | 1.16 | FEB | 1.16 | 10.50  | -5.7  | 9.1  | 11.0 | -24.2 | 8.4   |
| LARWIN MTG I              | V-LWN    | 2005 | 18.60 | 2.76 | MAR | 2.76 | 22.75X | -14.0 | 8.2  | 12.1 | 22.3  | 45.6  |
| LUMAS & ATLN              | N-LDM    | 3700 | 33.22 | 3.76 | MAR | 3.76 | 42.50  | 0.0   | 11.3 | 8.8  | 27.9  | 157.3 |
| M&T MTG INV               | D-MTMIS  | 1482 | 10.27 | 1.16 | FEB | 1.20 | 11.75  | 0.0   | 9.8  | 9.9  | 14.4  | 11.7  |
| MIDLAND MTG               | N-MMT    | 2188 | 13.07 | 1.72 | MAR | 1.76 | 15.63  | -1.6  | 8.9  | 11.0 | 19.6  | 34.2  |
| NATIONAL MTG              | J-NMTGS  | 2226 | 10.66 | 1.48 | FEB | 1.44 | 13.63  | -2.6  | 9.5  | 10.9 | 27.9  | 30.3  |
| NU AMER MTG               | N-NAM    | 4396 | 14.55 | 2.44 | MAR | 2.44 | 25.50X | -10.4 | 10.5 | 9.6  | 75.3  | 112.1 |
| PALOMAR MTG               | A-PMI    | 1812 | 13.28 | 1.72 | FEB | 1.72 | 15.25  | -6.2  | 8.9  | 11.3 | 14.8  | 27.6  |
| SUTKO MTG IN              | V-SUT    | 2313 | 17.10 | 1.60 | MAR | 1.64 | 15.00X | -12.0 | 9.1  | 10.7 | -12.3 | 34.7  |
| TEXAS 1ST MT              | D-TEFMS  | 1055 | 18.71 | 2.00 | MAR | 2.04 | 18.25  | -9.3  | 8.9  | 11.0 | -2.5  | 19.3  |
| TMC MTG INV               | J-TMCMs  | 800  | 18.06 | 0.30 | NEW | 0.00 | 22.25  | 7.9   | 0.0  | 0.0  | 23.2  | 17.8  |
| UNIONAM MEEU              | A-UAT    | 1881 | 19.33 | 2.44 | FEB | 2.48 | 21.63  | -11.3 | 8.7  | 11.3 | 11.9  | 40.7  |
| GROUP AVG                 |          | 1804 | 17.54 | 2.02 |     | 2.05 | 19.48  | -6.5  | 8.7  | 10.5 | 11.2  | 981.3 |

#CASH FLOW

| NAME                       | EXCH/<br>SYMBOL | SHARE<br>(000) | BOOK<br>VALUE | EST<br>DIV* | EARNINGS<br>MUN ANN* | LAST<br>PRICE | %<br>CHNG | P/E<br>RATIO | EST*<br>YIELD | % PR<br>TO BK | RET<br>ON BK | MKT VA<br>(MIL\$) |
|----------------------------|-----------------|----------------|---------------|-------------|----------------------|---------------|-----------|--------------|---------------|---------------|--------------|-------------------|
| SHORT-TERM MTG-INDEPENDENT |                 |                |               |             |                      |               |           |              |               |               |              |                   |
| ASSOC MTG IN               | A-AMY           | 1340           | 20.00         | 1.80        | MAR 1.80             | 12.25X        | -21.3     | 6.8          | 14.7          | -38.8         | 9.0          | 16.4              |
| CAPITAL MI                 | U-CMORS         | 1542           | 23.59         | 2.48        | MAR 2.68             | 25.25         | 0.5       | 9.4          | 9.8           | 7.0           | 11.4         | 38.9              |
| CUNTNL MTG                 | N-CMI           | 16931          | 9.67          | 1.38        | DEC 1.08             | 10.00         | -7.0      | 9.3          | 10.8          | 3.4           | 11.2         | 169.3             |
| FIRST MTG IN               | N-FIM           | 6790           | 15.64         | 1.92        | APR 1.80             | 18.75         | -12.8     | 10.4         | 10.2          | 19.9          | 11.5         | 127.3             |
| MTG INV WASH               | U-MINVS         | 1207           | 14.05         | 1.68        | MAR 1.68             | 14.88         | 0.9       | 8.9          | 11.3          | 5.9           | 12.0         | 18.0              |
| REPUBLIC MI                | N-KMI           | 2104           | 18.45         | 1.80        | MAR 1.88             | 15.63X        | -8.1      | 8.3          | 11.5          | -15.3         | 10.2         | 32.9              |
| WESTERN MI                 | U-WMTGS         | 1001           | 8.96          | 0.80        | FEB 0.80             | 7.75          | -10.2     | 9.7          | 10.3          | -13.5         | 8.9          | 7.8               |

GROUP AVG 4416 15.77 1.65 1.67 14.93 -8.3 9.0 11.2 -4.5 10.6 410.6

|                           |         |      |       |      |          |        |       |      |      |       |      |       |
|---------------------------|---------|------|-------|------|----------|--------|-------|------|------|-------|------|-------|
| SHORT-TERM MTG-COMCL BANK |         |      |       |      |          |        |       |      |      |       |      |       |
| AMER FLETCHER             | A-AFM   | 1342 | 24.90 | 2.80 | APR 3.04 | 25.50X | -8.5  | 8.4  | 11.0 | 2.4   | 12.2 | 34.2  |
| BARNETT MTG               | N-BMT   | 1920 | 21.67 | 2.60 | MAR 2.92 | 25.13X | -6.7  | 8.6  | 10.3 | 16.0  | 13.5 | 48.2  |
| CAMERON-BROWN             | N-CB    | 1986 | 24.26 | 2.56 | MAR 2.76 | 26.63X | -4.3  | 9.6  | 9.6  | 9.8   | 11.4 | 52.9  |
| CHASE MAN MT              | N-CMR   | 4795 | 30.01 | 4.48 | FEB 4.36 | 53.13  | -4.3  | 12.2 | 8.4  | 77.0  | 14.5 | 254.8 |
| CITINATL DEV              | U-CIT16 | 600  | 18.33 | 1.80 | MAR 1.76 | 13.00X | -3.9  | 7.4  | 13.8 | -29.1 | 9.6  | 7.8   |
| CITIZENS RL               | N-CZS   | 3742 | 21.32 | 2.96 | MAR 3.04 | 33.25  | -7.3  | 10.9 | 8.9  | 56.0  | 14.3 | 124.4 |
| CONT ILL RLY              | N-CIK   | 2797 | 18.47 | 1.72 | MAR 1.80 | 16.38X | -11.0 | 9.1  | 10.5 | -11.3 | 9.7  | 45.8  |
| FST CUMMERCE              | U-FCRNS | 1008 | 22.85 | 0.00 | NEW 0.00 | 21.63  | -19.5 | 0.0  | 0.0  | -5.3  | 0.0  | 21.8  |
| FST DENVR MI              | A-FDE   | 1575 | 18.65 | 2.02 | MAR 2.12 | 21.50  | -5.0  | 10.1 | 9.4  | 15.3  | 11.4 | 33.9  |
| FST PENN MT               | N-FPM   | 2901 | 20.81 | 2.00 | APR 2.04 | 19.75X | -17.3 | 9.7  | 10.1 | -5.1  | 9.8  | 57.3  |
| FST WISCN MT              | A-FWM   | 1910 | 24.04 | 4.30 | MAR 4.00 | 35.50X | -17.0 | 8.9  | 11.3 | 47.7  | 16.6 | 67.8  |
| TRI-SOUTH MI              | N-TSI   | 2130 | 22.05 | 2.88 | MAR 2.88 | 29.00  | -3.8  | 10.1 | 9.9  | 31.5  | 13.1 | 61.8  |
| WACHOVIA RLY              | N-WRI   | 3335 | 18.89 | 2.32 | FEB 2.32 | 21.63  | -13.1 | 9.3  | 10.7 | 14.5  | 12.3 | 72.1  |
| WELLS FAR MI              | N-WFM   | 3877 | 18.28 | 2.16 | MAR 2.24 | 20.75X | -10.8 | 9.3  | 10.4 | 13.5  | 12.3 | 80.4  |

GROUP AVG 2423 21.75 2.45 2.52 25.91 -9.5 8.8 9.6 16.6 11.5 963.2

|                       |         |      |       |      |          |        |       |      |      |       |      |       |
|-----------------------|---------|------|-------|------|----------|--------|-------|------|------|-------|------|-------|
| SHORT-TERM-MISC FINCL |         |      |       |      |          |        |       |      |      |       |      |       |
| AMER CENTURY          | N-ACT   | 2577 | 21.26 | 2.32 | DEC 2.32 | 19.75  | -0.7  | 8.5  | 11.7 | -7.1  | 10.9 | 50.9  |
| BENEF STD MI          | A-BSM   | 1264 | 22.47 | 2.68 | APR 2.72 | 21.13X | -8.7  | 7.8  | 12.7 | -6.0  | 12.1 | 26.7  |
| CI MTG GROUP          | N-CI    | 4785 | 18.89 | 2.16 | APR 2.16 | 18.63X | -16.4 | 8.6  | 11.6 | -1.4  | 11.4 | 89.1  |
| DOMINION MER          | U-DWRTS | 583  | 9.42  | 1.78 | FEB 2.00 | 15.25  | -11.6 | 7.6  | 11.7 | 61.9  | 21.2 | 8.9   |
| FIDELITY MI           | N-FID   | 2975 | 19.89 | 3.52 | APR 3.60 | 30.75  | 3.8   | 8.5  | 11.4 | 54.6  | 18.1 | 91.5  |
| GRT AMER MI           | N-GAA   | 4245 | 16.89 | 3.30 | APR 3.28 | 31.63X | -8.8  | 9.6  | 10.4 | 87.3  | 19.4 | 134.3 |
| HANDOVER SQ R         | U-HASQS | 768  | 19.25 | 1.68 | FEB 1.68 | 18.75  | -2.6  | 11.2 | 9.0  | -2.6  | 8.7  | 14.4  |
| IDS RLTY TR           | N-IDR   | 2408 | 23.35 | 2.40 | APR 2.28 | 24.75  | -2.5  | 10.9 | 9.7  | 6.0   | 9.8  | 59.6  |
| MTG TRUST AM          | N-MT    | 3792 | 19.09 | 1.88 | FEB 1.88 | 17.88  | -8.9  | 9.5  | 10.5 | -6.3  | 9.8  | 67.8  |
| USF INVESTRS          | U-USFNS | 2500 | 22.95 | 2.92 | MAR 2.92 | 20.25  | -1.8  | 6.9  | 14.4 | -11.8 | 12.7 | 50.6  |

GROUP AVG 2590 19.35 2.46 2.48 21.88 -5.8 8.9 11.3 17.5 13.4 593.8

|                             |         |      |       |      |          |        |       |      |      |       |      |       |
|-----------------------------|---------|------|-------|------|----------|--------|-------|------|------|-------|------|-------|
| INTERMEDIATE-TERM MORTGAGES |         |      |       |      |          |        |       |      |      |       |      |       |
| ALISON MTG I                | N-AMV   | 2191 | 20.70 | 3.00 | APR 3.00 | 27.00X | -1.8  | 9.0  | 11.1 | 30.4  | 14.5 | 59.2  |
| BARNET-WINST                | U-BWITS | 1661 | 18.59 | 1.60 | MAR 1.60 | 16.00  | -16.4 | 10.0 | 10.0 | -13.9 | 8.6  | 26.6  |
| DIVERSIFD MI                | N-DMG   | 7315 | 20.06 | 2.88 | MAR 2.88 | 22.88  | -8.5  | 7.9  | 12.6 | 14.1  | 14.4 | 167.4 |
| FST VIRGINIA                | U-FVMTS | 1208 | 23.31 | 2.20 | MAR 2.28 | 20.00X | -12.6 | 8.8  | 11.0 | -14.2 | 9.8  | 24.2  |
| MEDIAN MTG I                | U-MDMIS | 2446 | 10.30 | 1.32 | JAN 1.32 | 11.63  | -7.9  | 8.8  | 11.3 | 12.9  | 12.8 | 28.4  |
| RLTY REFUND                 | A-RRF   | 1034 | 18.60 | 2.24 | APR 2.24 | 20.75  | -0.6  | 9.3  | 10.8 | 11.6  | 12.0 | 21.5  |
| SECURITY MTG                | A-SMU   | 6787 | 10.77 | 1.20 | DEC 1.28 | 8.50   | -6.9  | 6.6  | 14.1 | -21.1 | 11.9 | 57.7  |

GROUP AVG 3235 17.48 2.06 2.09 18.11 -7.8 8.6 11.6 2.8 12.0 385.0

|                          |          |      |       |      |          |        |       |      |      |       |      |       |
|--------------------------|----------|------|-------|------|----------|--------|-------|------|------|-------|------|-------|
| LONG-TERM MTG & EQUITIES |          |      |       |      |          |        |       |      |      |       |      |       |
| ATLANTA NATL             | U-ADSPS  | 1260 | 18.51 | 1.56 | FEB 1.56 | 14.38  | -5.7  | 9.2  | 10.8 | -22.3 | 8.4  | 18.1  |
| BANKAM RLTY              | U-BRLTS  | 3464 | 19.22 | 2.34 | JAN 2.12 | 26.00X | -10.6 | 12.3 | 7.8  | 35.3  | 11.0 | 90.1  |
| BT MTG INVTR             | A-BTM    | 2087 | 13.33 | 2.88 | MAR 2.80 | 27.88X | -1.4  | 10.0 | 10.3 | 109.2 | 21.0 | 58.2  |
| CLEVELAND RL             | U-CLTRIS | 2524 | 18.65 | 1.76 | MAR 1.76 | 19.38  | -1.9  | 11.0 | 9.1  | 3.9   | 9.4  | 48.9  |
| CUN GEN MER#             | N-CGM    | 5618 | 23.24 | 1.89 | MAR 2.00 | 21.25  | -15.8 | 10.6 | 8.9  | -8.6  | 8.6  | 119.4 |
| COUSINS MEEQ             | N-CUZ    | 2355 | 18.98 | 2.32 | FEB 2.32 | 24.88  | -6.6  | 10.7 | 9.3  | 31.1  | 12.2 | 58.6  |
| EQUIT LF MTG             | N-EQ     | 5521 | 24.23 | 2.00 | APR 2.08 | 25.25  | -4.7  | 12.1 | 7.9  | 4.2   | 8.6  | 139.4 |
| FIDELCO GRW              | A-FGI    | 1557 | 25.71 | 3.28 | FEB 3.36 | 31.63  | -13.9 | 9.4  | 10.4 | 23.0  | 13.1 | 49.2  |
| FST MEMPHIS              | U-FMEMS  | 1147 | 18.06 | 1.96 | FEB 1.96 | 20.75  | -4.6  | 10.6 | 9.4  | 14.9  | 10.9 | 23.8  |
| GULF MTGERLY             | A-GMR    | 2210 | 18.21 | 1.76 | FEB 1.72 | 16.50X | -10.2 | 9.6  | 10.7 | -9.4  | 9.4  | 36.5  |
| HNC MTGERLY              | U-HNCMS  | 2310 | 20.21 | 2.08 | APR 2.04 | 20.00  | -1.2  | 9.8  | 10.4 | -1.0  | 10.1 | 46.2  |
| HOSPITAL MTG             | A-HMG    | 1178 | 23.22 | 2.15 | FEB 2.20 | 18.63  | -5.7  | 8.5  | 11.5 | -19.8 | 9.5  | 21.9  |
| HOTEL INVSTR             | A-HOT    | 1486 | 20.66 | 2.34 | FEB 2.00 | 19.00  | -9.5  | 9.5  | 10.7 | -8.0  | 9.7  | 28.2  |
| INSTITUTNAL              | N-INV    | 6074 | 13.52 | 1.36 | APR 1.36 | 12.63  | -11.4 | 9.3  | 10.8 | -6.6  | 10.1 | 76.7  |
| LARKIN RLTY              | A-LRM    | 3610 | 18.62 | 1.28 | MAR 1.28 | 12.75  | -9.8  | 10.0 | 10.0 | -31.5 | 6.9  | 46.0  |
| MASSAUT MTG              | N-MML    | 4633 | 23.80 | 2.00 | JAN 1.92 | 21.38  | -8.6  | 11.1 | 9.4  | -10.2 | 8.1  | 99.1  |
| MONEY MTG INV            | N-MYM    | 8694 | 9.93  | 1.30 | FEB 1.00 | 11.63  | -10.5 | 11.6 | 8.6  | 17.1  | 10.1 | 101.1 |
| MTG GROWTH I             | A-MTG    | 2582 | 12.57 | 1.12 | FEB 1.12 | 12.00  | -4.0  | 10.7 | 9.3  | -4.5  | 8.9  | 31.0  |
| NEWSTRN FINC             | U-NFINS  | 1510 | 18.54 | 1.20 | MAR 1.64 | 17.38  | -2.8  | 10.6 | 6.9  | -6.3  | 8.8  | 26.2  |
| NEWSTRN MUTL             | N-NML    | 4651 | 19.39 | 1.92 | MAR 1.80 | 24.00  | 0.0   | 13.3 | 8.0  | 23.8  | 9.3  | 111.6 |
| OLD STONE M#             | U-OSMRS  | 653  | 13.17 | 1.24 | MAR 1.56 | 13.88  | -2.6  | 8.9  | 8.9  | 5.4   | 11.8 | 9.1   |
| PNB MTG LRLY             | A-PNI    | 2251 | 19.04 | 2.12 | MAR 2.20 | 21.13  | -11.0 | 9.6  | 10.0 | 11.0  | 11.6 | 47.6  |
| RAM PACIFIC              | U-RPACS  | 1495 | 19.29 | 1.68 | FEB 1.56 | 16.38  | -9.7  | 10.5 | 10.3 | -15.1 | 8.1  | 24.5  |
| STATE MUTAL              | N-SMU    | 2673 | 20.02 | 2.60 | DEC 2.60 | 23.25  | -5.1  | 8.9  | 11.2 | 16.1  | 13.0 | 62.1  |

GROUP AVG 2981 18.75 1.88 1.91 19.66 -7.0 10.3 9.6 6.3 10.4 1373.5



## WARRANTS

| NAME          | EXCH/<br>SYMBOL | EXP<br>DATE | OUT<br>(000) | EXER<br>PRICE | NO.<br>SH. | WTS<br>PRICE | STK<br>PRICE | CONV<br>PREM | %<br>CHG | MKT VA<br>(MIL\$) |
|---------------|-----------------|-------------|--------------|---------------|------------|--------------|--------------|--------------|----------|-------------------|
| ALISON MTG    | D-ALIS5         | 12/75       | 30           | 19.00         | 1.0        | 8.25         | 27.00        | 0.9          | -8.3     | 0.2               |
| ALISON MTG B  | D-ALISW         | 12/76       | 398          | 27.50         | 1.0        | 2.00         | 27.00        | 9.3          | -24.0    | 0.8               |
| AMER CENTURY  | A-ACTW          | 6/75        | 897          | 23.00         | 1.0        | 1.25         | 19.75        | 22.8         | -23.3    | 1.1               |
| AMER FLETCHER | A-AFMW          | 1/75        | 516          | 25.00         | 1.0        | 2.25         | 25.50        | 6.9          | -38.0    | 1.2               |
| AMER REALTY   | A-ARBW          | 9/76        | 1000         | 9.63          | 1.0        | 1.50         | 10.38        | 7.2          | 0.0      | 1.5               |
| ASSOC MTG IN  | D-ASMGW         | 12/73       | 100          | 28.25         | 1.0        | 0.07         | 12.25        | 131.2        | -46.2    | 0.0               |
| ATICO MTG IN  | A-ACOW          | 12/79       | 635          | 15.00         | 1.0        | 3.88         | 17.00        | 11.1         | -20.5    | 2.5               |
| ATICO MTG (3) | D-ATICS         | 4/81        | 358          | 21.00         | 1.0        | 0.75         | 17.00        | 27.9         | -45.7    | 0.3               |
| ATLANTA NATL  | D-HDSPW         | 8/76        | 1260         | 20.00         | 1.0        | 0.88         | 14.38        | 45.2         | -29.6    | 1.1               |
| BAKES MTG     | D-BARNW         | 12/77       | 1935         | 20.00         | 1.0        | 1.75         | 16.25        | 33.8         | -26.5    | 3.4               |
| BARNETT MTG   | D-BMTRW         | 4/80        | 681          | 20.00         | 1.0        | 5.13         | 25.13        | 0.0          | -31.6    | 3.5               |
| BARNIT-WINST  | D-BWITW         | 7/77        | 1659         | 20.00         | 1.0        | 1.75         | 16.00        | 35.9         | -30.0    | 2.9               |
| BENEF STD (3) | D-BSM65         | 3/77        | 285          | 27.75         | 1.0        | 0.75         | 21.13        | 34.9         | -40.0    | 0.2               |
| BENEF STD MT  | A-BSMW          | 7/75        | 604          | 20.00         | 1.0        | 3.00         | 21.13        | 8.8          | -33.3    | 1.8               |
| BERG ENT RG   | A-BRTW          | 11/77       | 1400         | 10.00         | 1.0        | 0.25         | 7.00         | 46.4         | -60.3    | 0.3               |
| BT MTG INV    | D-BTMGW         | 1/77        | 515          | 24.00         | 1.0        | 5.25         | 27.88        | 4.9          | -17.7    | 2.7               |
| BUILDER IN    | D-BULDW         | 12/76       | 2634         | 25.00         | 1.0        | 4.38         | 26.25        | 11.9         | -23.8    | 11.5              |
| CAMERON-BRW   | D-CMRNW         | 11/76       | 1546         | 25.00         | 1.0        | 3.13         | 26.63        | 5.6          | -26.4    | 4.8               |
| CAPITAL MTG   | D-CMDRW         | 11/74       | 552          | 20.00         | 1.0        | 5.25         | 25.25        | 0.0          | 0.0      | 2.9               |
| CENTRAL MTG   | D-CMRTW         | 3/77        | 775          | 20.00         | 1.0        | 2.25         | 17.50        | 27.1         | -14.4    | 1.7               |
| CI MTG GROUP  | A-CI.W          | 3/80        | 3000         | 20.00         | 1.0        | 2.13         | 18.63        | 18.8         | -26.0    | 6.4               |
| CI REALTY IN  | D-CIRLW         | 3/77        | 2609         | 25.00         | 1.0        | 0.50         | 10.25        | 148.8        | -66.7    | 1.3               |
| CITINATL DEV  | D-CITIS         | 4/75        | 600          | 20.00         | 1.0        | 0.25         | 13.00        | 55.8         | 0.0      | 0.1               |
| CITIZENS GRD  | D-CITGW         | 1/77        | 785          | 20.00         | 1.0        | 0.50         | 14.63        | 40.1         | -33.3    | 0.4               |
| CITIZENS MTG  | A-CZMW          | 12/74       | 701          | 15.00         | 1.0        | 2.00         | 16.25        | 4.6          | -24.0    | 1.4               |
| CITZNS & SO   | D-CSRIW         | 10/75       | 728          | 20.00         | 0.5        | 6.25         | 33.25        | -2.3         | -19.4    | 4.5               |
| CLEVELERST RL | D-CTR1W         | 1/76        | 2508         | 20.00         | 1.0        | 1.13         | 19.38        | 9.0          | -35.4    | 2.8               |
| CULWELL M(3)  | D-CLWLW         | 9/73        | 300          | 29.38         | 1.0        | 1.50         | 26.50        | 16.5         | -52.1    | 0.4               |
| CULWELL MTG   | A-CLMW          | 12/74       | 486          | 20.00         | 1.0        | 7.13         | 26.50        | 2.4          | -32.9    | 3.5               |
| CDNT ILL RLY  | D-CQNIS         | 4/74        | 79           | 20.00         | 1.0        | 1.00         | 16.38        | 28.2         | -20.0    | 0.1               |
| COUSINS MTG   | A-CUZW          | 2/77        | 745          | 24.63         | 1.0        | 3.63         | 24.88        | 13.6         | -21.6    | 2.7               |
| DENVER REIA   | D-DENV5         | 5/76        | 177          | 11.00         | 1.0        | 0.38         | 7.88         | 44.4         | -39.7    | 0.1               |
| DOMINION (B)  | D-DMRTZ         | 10/87       | 550          | 17.75         | 1.0        | 2.00         | 15.25        | 29.5         | -30.6    | 1.1               |
| DOMINION MER  | D-DMRTW         | 6/76        | 455          | 12.00         | 1.0        | 4.13         | 15.25        | 5.8          | -28.2    | 1.9               |
| FIDELCU GRW   | A-FGIW          | 9/75        | 159          | 25.00         | 1.0        | 8.00         | 31.63        | 4.3          | -33.3    | 1.3               |
| FIDELITY MTG  | D-FIDE5         | 3/79        | 173          | 22.25         | 1.0        | 6.75         | 30.75        | -5.7         | -25.0    | 1.2               |
| FIR MEMPHIS   | D-FMEMW         | 2/75        | 1133         | 20.00         | 1.0        | 1.63         | 20.75        | 4.2          | -23.5    | 1.8               |
| FIRST DENVER  | A-FDEW          | 10/75       | 1445         | 20.00         | 1.0        | 2.13         | 21.50        | 2.9          | -22.5    | 3.1               |
| FIRST PEN(B)  | D-FPMTZ         | 9/75        | 540          | 28.25         | 0.5        | 0.50         | 19.75        | 48.1         | -50.0    | 0.3               |
| FIRST PENN    | D-FPMTW         | 7/74        | 1723         | 20.00         | 0.5        | 0.88         | 19.75        | 10.2         | -56.0    | 1.5               |
| FIRST UNION   | D-FUREW         | 12/76       | 630          | 12.75         | 1.0        | 1.00         | 11.25        | 22.2         | 0.0      | 0.6               |
| FIRST VA MTG  | D-FVMTW         | 5/77        | 1208         | 25.00         | 1.0        | 1.63         | 20.00        | 33.1         | -27.6    | 2.0               |
| FLATLEY RLT   | D-FLTLW         | 5/75        | 1000         | 10.00         | 1.0        | 0.50         | 7.00         | 50.0         | -20.6    | 0.5               |
| GALBREATH FM  | D-GALBW         | 1/76        | 653          | 32.00         | 1.0        | 0.44         | 22.25        | 45.8         | -50.0    | 0.3               |
| GRT AMER MI   | D-GAMIW         | 11/75       | 33           | 20.00         | 2.0        | 22.00        | 31.63        | -2.0         | -24.1    | 0.7               |
| GUARDIAN MI*  | A-GMIW          | 5/76        | 398          | 37.00         | 1.0        | 4.75         | 38.00        | 9.9          | -22.5    | 1.9               |
| GULF MTGERLY  | A-GMRW          | 3/76        | 2210         | 20.00         | 1.0        | 1.25         | 16.50        | 28.8         | -23.3    | 2.8               |
| GULF SO MTG   | A-GSRW          | 2/77        | 759          | 20.00         | 1.0        | 1.63         | 18.50        | 16.9         | -27.6    | 1.2               |
| HAMILTON INV  | D-HAMTW         | 7/76        | 1444         | 20.00         | 1.0        | 1.00         | 16.75        | 25.4         | -38.7    | 1.4               |
| HOSPITAL MTG  | A-HMSW          | 2/77        | 1178         | 25.00         | 1.0        | 1.50         | 18.63        | 42.2         | -8.0     | 1.8               |
| IDS RLTY TR   | D-IDSRW         | 2/77        | 2408         | 25.00         | 0.5        | 1.63         | 24.75        | 14.2         | -13.3    | 3.9               |
| INCOME MTG    | D-INMRW         | 6/77        | 481          | 10.00         | 1.0        | 0.50         | 10.25        | 2.4          | -20.6    | 0.2               |
| INDIANA MER   | D-INDMW         | 6/77        | 575          | 20.00         | 0.5        | 1.63         | 18.50        | 25.7         | -23.5    | 0.9               |
| JMB REALTY    | D-JMBRW         | 8/77        | 510          | 20.00         | 1.0        | 1.13         | 17.13        | 23.4         | -9.6     | 0.6               |
| JUSTICE MI    | D-JUSTW         | 1/76        | 1044         | 20.00         | 1.0        | 3.63         | 21.88        | 8.0          | -17.1    | 3.8               |
| JUSTICE MTG   | D-JUSTZ         | 1/79        | 300          | 25.75         | 1.0        | 2.00         | 21.88        | 26.8         | 0.0      | 0.6               |
| KMC MTG IN    | D-KMTGW         | 12/76       | 1100         | 15.00         | 1.0        | 0.38         | 10.50        | 46.5         | -39.7    | 0.4               |
| LARWIN MTG    | D-LWN5          | 4/77        | 700          | 32.00         | 1.0        | 0.75         | 22.75        | 44.0         | -54.0    | 0.5               |
| LARWIN RLTY   | A-LRMW          | 12/76       | 3610         | 20.00         | 1.0        | 0.75         | 12.75        | 62.7         | -33.6    | 2.7               |
| M&T MTG INV   | D-MTMIZ         | 8/75        | 748          | 13.00         | 1.0        | 0.63         | 11.75        | 16.0         | 0.0      | 0.5               |
| MEDIAN MTG I  | D-MDMIW         | 9/76        | 1236         | 12.50         | 1.0        | 1.38         | 11.63        | 19.3         | -44.8    | 1.7               |
| MIDLAND MTG   | D-MIDMW         | 9/74        | 386          | 12.50         | 1.0        | 2.63         | 15.63        | -3.2         | -41.6    | 1.0               |
| MTG INV WASH  | D-MINWV         | 3/75        | 1010         | 15.00         | 1.0        | 1.88         | 14.88        | 13.4         | 15.3     | 1.9               |
| MTG TRUST AM  | D-MORTW         | 11/74       | 2550         | 19.00         | 1.0        | 0.88         | 17.88        | 11.2         | -29.6    | 2.2               |
| NATIONAL MTG  | D-NMTGW         | 3/79        | 315          | 10.00         | 1.0        | 3.50         | 13.63        | -1.0         | -6.7     | 1.1               |
| NO AMER MTG   | D-NDAMS         | 12/74       | 92           | 24.00         | 1.0        | 1.00         | 25.50        | -2.0         | -77.8    | 0.1               |
| NORTH AM MTG  | A-NAMR5         | 3/79        | 710          | 31.13         | 1.0        | 2.00         | 25.50        | 29.9         | -16.0    | 1.4               |
| NOVSTRN FINC  | D-NFINW         | 11/77       | 1510         | 20.00         | 1.0        | 2.00         | 17.38        | 26.6         | -24.0    | 3.0               |
| OLD STONE MT  | D-OSMRW         | 3/77        | 600          | 16.00         | 1.0        | 0.50         | 13.88        | 18.9         | 31.6     | 0.3               |
| PALOMAR MTG   | A-PMIW          | 3/77        | 604          | 16.50         | 1.0        | 1.13         | 15.25        | 15.6         | -18.1    | 0.7               |
| PEASE ELLIMN  | A-PNEW          | 11/77       | 1113         | 18.50         | 1.0        | 0.75         | 13.75        | 40.0         | -57.1    | 0.8               |
| PNB MTGERLTY  | A-PNIW          | 12/74       | 1420         | 20.00         | 1.0        | 2.13         | 21.13        | 4.7          | -39.1    | 3.0               |
| REPUBLIC MI   | A-RNIW          | 6/74        | 1064         | 20.00         | 1.0        | 1.00         | 15.63        | 34.4         | -11.5    | 1.1               |
| RLTY REFUND   | D-RREFW         | 6/74        | 1026         | 20.00         | 1.0        | 1.00         | 20.75        | 1.2          | -38.7    | 1.0               |
| SECURITY MT*  | A-SMDW          | 5/79        | 3117         | 16.00         | 1.0        | 0.81         | 8.50         | 97.8         | -19.0    | 2.5               |
| SUTRO MIT(B)  | A-SUTW          | 6/77        | 700          | 20.00         | 1.0        | 1.00         | 15.00        | 40.0         | -33.3    | 0.7               |
| SUTRO MTG IN  | D-SUTR5         | 4/74        | 299          | 20.00         | 1.0        | 0.63         | 15.00        | 37.5         | -44.2    | 0.2               |
| TEXAS 1ST MT  | D-TFMRW         | 6/76        | 1055         | 20.00         | 1.0        | 1.75         | 18.25        | 19.2         | -33.5    | 1.8               |
| TRI-SOUTH MI  | D-TSMGW         | 12/74       | 520          | 20.00         | 0.5        | 4.50         | 29.00        | 0.0          | -5.3     | 2.3               |
| UNIONAM & EQ  | A-UATW          | 12/74       | 629          | 20.00         | 1.0        | 2.63         | 21.63        | 4.6          | -40.0    | 1.7               |
| US LSG REI    | A-USEW          | 12/74       | 1348         | 25.00         | 1.0        | 1.63         | 18.25        | 45.9         | 0.0      | 2.2               |
| USF INVESTRS  | D-USFNW         | 6/75        | 2500         | 25.00         | 1.0        | 1.38         | 20.25        | 30.3         | -15.3    | 3.4               |
| WALTER JIM    | D-WALJW         | 7/77        | 1035         | 18.50         | 1.0        | 1.25         | 15.00        | 31.7         | -37.5    | 1.3               |
| WELLS FARGO   | D-WELLW         | 7/74        | 3526         | 20.00         | 0.5        | 1.00         | 20.75        | 6.0          | -42.9    | 3.5               |

\*DEBENTURES USABLE IN LIEU OF CASH.

## CONVERTIBLE DEBENTURES

| DEBENTURE    | EX | MAT | INT<br>(%) | CONV<br>AT | RECENT<br>PRICE | YIELD<br>(%) | %<br>CHNG |
|--------------|----|-----|------------|------------|-----------------|--------------|-----------|
| ALISON MTG   | AS | '91 | 6.75       | 27.50      | 95.00           | 7.1          | -5.6      |
| AMER CENTURY | AS | '90 | 7.00       | 21.00      | 90.38           | 7.7          | -6.8      |
| AMER CENTY'B | NY | '91 | 6.75       | 28.00      | 80.00           | 8.4          | 1.7       |
| AMER REALTY  | DC | '84 | 7.00       | 10.75      | 91.00           | 7.7          | -3.2      |
| BAIRD&WARNER | DC | '91 | 6.75       | 21.00      | 82.00           | 8.2          | -8.9      |
| BANKAMERICA  | DC | '90 | 6.75       | 21.00      | 119.00          | 5.7          | -12.5     |
| BENEF STD MI | AS | '91 | 6.50       | 27.75      | 80.50           | 8.1          | -3.6      |
| CAPITAL MTG  | DC | '91 | 6.50       | 32.54      | 77.00           | 8.4          | 1.3       |
| CHASE MANHVN | NY | '96 | 6.50       | 55.00      | 95.50           | 6.8          | -5.4      |
| COLWELL MTG  | DC | '91 | 6.50       | 29.38      | 94.00           | 6.9          | -6.9      |
| CUNY GENERAL | NY | '96 | 6.00       | 32.50      | 76.50           | 7.8          | -4.4      |
| CLINTNL MTG  | NY | '90 | 6.25       | 22.25      | 72.00           | 8.7          | -6.5      |
| EQUITBL LF M | NY | '90 | 6.75       | 26.25      | 96.00           | 7.0          | -2.5      |
| FIDELITY MI  | AS | '85 | 7.75       | 21.25      | 138.00          | 5.6          | -10.1     |
| FIRST PENN M | DC | '91 | 6.75       | 26.00      | 71.00           | 9.5          | -22.0     |
| FIRST UNION  | NY | '91 | 7.00       | 13.00      | 92.00           | 7.6          | -1.1      |
| FRANKLIN RLY | AS | '89 | 7.00       | 10.00      | 80.00           | 8.7          | -3.0      |
| GALBREATH    | DC | '91 | 7.00       | 28.50      | 78.00           | 9.0          | -16.1     |
| GRT AMER MI  | DC | '91 | 7.00       | 35.50      | 87.00           | 8.0          | -9.4      |
| HANDVER SQ R | DC | '92 | 7.25       | 21.00      | 90.00           | 8.1          | -4.3      |
| HEITMAN MTG  | AS | '92 | 7.50       | 14.70      | 90.00           | 8.3          | -1.1      |
| HNC MTG      | DC | '91 | 6.75       | 21.00      | 90.00           | 7.5          | -5.3      |
| HOTEL INVSTR | DC | '90 | 7.75       | 21.00      | 85.00           | 9.1          | -15.0     |
| HOTEL INVTRS | DC | '91 | 7.50       | 25.25      | 72.00           | 10.4         | -12.2     |
| LINCOLN MTG  | DC | '90 | 8.00       | 11.00      | 84.00           | 9.5          | -2.3      |
| MASSMUTL MTG | NY | '90 | 6.75       | 21.00      | 106.75          | 6.3          | 32.6      |
| MASSMUTUAL M | NY | '91 | 6.25       | 33.50      | 76.75           | 8.1          | -2.5      |
| MEDIAN MORTG | DC | '92 | 7.50       | 13.50      | 86.00           | 8.7          | -6.5      |
| MEDIAN MTG I | DC | '90 | 7.50       | 10.00      | 115.00          | 6.5          | -7.3      |
| MIDLAND MTG  | DC | '86 | 7.00       | 16.67      | 90.00           | 7.8          | -1.1      |
| MENY MTGIN   | NY | '90 | 7.00       | 11.00      | 110.00          | 6.4          | -2.0      |
| MTG INV WASH | DC | '90 | 8.00       | 15.00      | 92.00           | 8.7          | 2.2       |
| NATIONAL MTG | DC | '91 | 7.00       | 12.00      | 111.00          | 6.3          | -0.9      |
| NJB PRIME    | AS | '91 | 6.75       | 21.00      | 94.50           | 7.1          | -1.6      |
| NEWSTRN MUTL | NY | '91 | 6.00       | 21.00      | 124.50          | 4.8          | 8.7       |
| OLD STONE MT | DC | '87 | 6.88       | 15.00      | 90.00           | 7.6          | -2.7      |
| RAM PACIFIC  | DC | '91 | 6.75       | 21.00      | 77.00           | 8.8          | -10.5     |
| REALTY INCOM | AS | '91 | 8.00       | 16.50      | 92.00           | 8.7          | -2.0      |
| REPUBLIC MI  | NY | '90 | 7.25       | 19.00      | 94.50           | 7.7          | -1.0      |
| SAUL (BF) RL | DC | '91 | 6.50       | 23.00      | 83.00           | 7.8          | 0.0       |
| SAUL(BF) REI | DC | '90 | 8.00       | 15.50      | 118.00          | 6.8          | -1.7      |
| STATE MUTUAL | AS | '91 | 6.75       | 21.00      | 107.75          | 6.3          | -5.1      |
| SUTRO MIT    | NY | '82 | 6.75       | 20.00      | 83.00           | 8.1          | -1.2      |
| SUTRO MTG    | AS | '91 | 6.75       | 20.00      | 80.00           | 8.4          | -4.2      |
| TRI-SOUTH MI | NY | '92 | 7.00       | 29.50      | 101.50          | 6.9          | 0.5       |
| US BANCORP   | AS | '92 | 7.00       | 26.25      | 103.25          | 6.8          | 0.2       |
| US REALTY IN | AS | '89 | 5.75       | 20.20      | 73.50           | 7.8          | -3.3      |

\*ANNUALIZED-QUARTER MULTIPLIED BY FOUR. #CASH FLOW. X-EX DIVIDEND. @ CASH FLOW INCLUDING DEBT DISCOUNT AMORTIZATION. GROSS CASH FLOW USED FOR U.S. BANCORP, DENVER REALTY AND LINCOLN. DIVIDEND USED IN PLACE OF EARNINGS FOR MEDIAN, AND AMER. CENTURY. AMER. CENTURY INCL. CAPITAL GAIN THIS QTR. SYMBOLS SHOWN ARE TICKER SYMBOLS FOR LISTED ISSUES AND NASDAQ SYMBOLS WHERE AVAILABLE. ALL OTHERS ARE FOR COMPUTER IDENTIFICATION.